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**ARIZONA CORPORATION COMMISSION****SANDRA D. KENNEDY**

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April 27, 2020

RE: IN THE MATTER OF THE DEVELOPMENT OF COVID-19 EMERGENCY TARIFFS.
(DOCKET NO. AU-00000A-20-0101)

Commission Staff,

As we enter our summer months the stakes are increasing for ratepayers impacted by the COVID-19 emergency. One of my primary concerns at this time is addressing utility rate burdens for the hundreds of thousands of Arizonans who have been and those who will be furloughed, laid off, or otherwise financially impacted by the need to shelter in place. On March 30, 2020, I urged the utilities to work with Staff to develop and implement contingency tariffs for ratepayers during the COVID-19 emergency. These contingency tariffs should provide temporary but significant rate relief for all residential and small commercial classes. Due to the complexity of this issue, I am asking Staff to open a new docket called "In the Matter of the Development of COVID-19 Emergency Tariffs."

While I do appreciate and support the waiver of late fees, the expansion of bill credits and other bill assistance programs, unfortunately, it is still not enough. While these programs are a lifeline for many ratepayers, as a sole response to the COVID-19 circumstances ratepayers are facing, I fear they are woefully insufficient. An emergency rate and other bill forgiveness tariff provisions can provide immediate, direct, and concrete assistance while potentially alleviating some of the stress on the administration of the bill assistance programs.

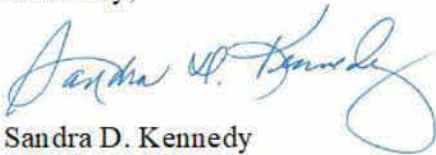
Emergency Tariff Proposals can include a variety of approaches such as those listed below. Many of the approaches are listed below are being implemented by other utility commissions across the county as well as individual utilities and could adapted to your utility's specific circumstance. I urge you to be creative when thinking about best ways to alleviate ratepayer burden right now. The scope and scale of our situation demands it.

Suggested Emergency Tariff provisions:

- Defer cost of incremental bad debt to next base rate case.
- Other incremental costs resulting from COVID 19 that can be deferred to a regulatory asset – staff and utilities should work together to identify these eligible costs. Commission shall make final determination on an expedited basis.

- Review whether customer credits from fuel savings, etc. can be accelerated to refunds for customers now.¹
- Require utilities to offer reasonable payment arrangements of no less than six months for ratepayers after moratorium of service disconnection ends.²
- Allowing customers to switch to a levelized payment program (using a 12-month rolling average to protect against drastic changes in monthly bills) or a budget-billing program (wherein costs are spread into 11 equal monthly payments).
- Eliminating any caps on participation in low-income rate plans.
- Rate reductions on an interim, emergency basis when the state has declared an emergency.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sandra D. Kennedy", is written over a light blue horizontal line.

Sandra D. Kennedy
Commissioner

¹ The first three bullet points are being implemented in Georgia.

² Payment plans are required by the public utility commissions of Washington, D.C., Minnesota, and New Hampshire.